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No. CV 92-0506051S : SUPERIOR COURT
STATE OF CONNECTICUT : JUDICIAL DISTRICT OF
v. : HARTFORD/NEW BRITAIN
NU SKIN INTERNATIONAL, INC. : AT HARTFORD
MAY 28, 1992

STIPULATION TO ENTRY
OF FINAL JUDGMENT

It is stipulated between the plaintiff and the defendant Nu Skin International, Inc., by their respective attorneys and by the defendant's duly authorized agent, that a Final Judgment on Stipulation may enter in the form attached hereto, and made part hereof, upon motion of any party and without notice, provided that this Stipulation has been executed by all the parties and attorneys listed below.

It is further stipulated that the defendant acknowledges receipt of this Stipulation, the Final Judgment and Order, has actual knowledge of the terms and conditions of and waives any further service of the same, and that the Final Judgment and Order shall become effective immediately upon entry by the Court without further notice.

MAY 28 4 25 PM '92

MAY 28 1992



No. CV 92-0506051S

: SUPERIOR COURT

STATE OF CONNECTICUT

: JUDICIAL DISTRICT OF
HARTFORD/NEW BRITAIN
AT HARTFORD

v.

NU SKIN INTERNATIONAL, INC.

: MAY 28, 1992

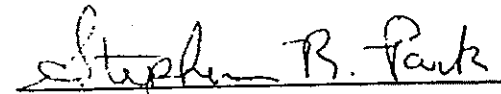
MOTION FOR JUDGMENT
IN ACCORDANCE WITH STIPULATION

Plaintiff, State of Connecticut, respectfully moves the
Court to enter a Judgment in accordance with the Stipulation
filed herewith.

PLAINTIFF
STATE OF CONNECTICUT

RICHARD BLUMENTHAL
ATTORNEY GENERAL

BY:



STEPHEN R. PARK
Assistant Attorney General
110 Sherman Street
Hartford, Connecticut 06105
Tel: (203) 566-5374

NO TESTIMONY REQUIRED
NO ORAL ARGUMENT REQUESTED

73 MAY 28 4 20 PM '92

INSTRUCTIONS

1. For appearance in a Geographical Area or a juvenile matters court location, file original and sufficient copies for each party to the action.
2. For appearance in a Judicial District court location, file original only, except in criminal cases.
3. In summary process cases complete certification at bottom.
4. Pursuant to Practice Book Sec. 352, if a party who has been defaulted for failure to appear files an appearance prior to the entry of judgment after default, the default shall automatically be set aside by the clerk.

Docket No. CV 92-0506051S

Return Date Hartford

State of Connecticut
(First Named Plaintiff)

Superior Court, Judicial District of New Britain

vs.

G.A. at Hartford

Nu Skin International, Inc.
(First Named Defendant)

May 28, 1992
(Date)

APPEARANCE

Please enter the appearance of

Lawrence S. Brick

(Official, Firm, Professional Corporation or Individual)

836 Farmington Avenue, Suite 210

(Mailing Address)

West Hartford, Connecticut 06119

Juris Number Telephone Number

in the above entitled case for

() The Plaintiff

() All Plaintiffs

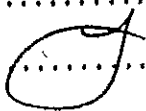
() The following plaintiff only

(X) The Defendant

(X) All Defendants

() The following defendant only

Signed



Lawrence S. Brick

(Individual Attorney Signing Appearance)

Lawrence S. Brick

(Print or Type Name of Attorney Signing Above)

Note: If other counsel have already appeared for the party or parties indicated above, state whether this appearance is

() In lieu of appearance of attorney or firm already on file
(Give Name)

() In addition to appearance already on file

CERTIFICATION FOR SUMMARY PROCESS CASES (Pr. Bk 64 (c))

I hereby certify that a copy of the above was mailed to all counsel and pro se parties of record on May 28, 1992
(Date)

76 JUN 28 1992

(Individual signature of counsel)

Docket No. CV92-0506051S

Return Date

State of Connecticut

Superior Court

(First Named Plaintiff)

(Court)

VS.

J.D. Hartford/New Britain at Hartford

(District or G. A.)

Nu Skin International, Inc.

May 26, 1992

(First Named Defendant)

(Date)

WITHDRAWAL

☐ This case is withdrawn as to all defendants without costs to any party.

☒ This case is withdrawn as to the defendants Blake M. Roney only, without costs.

Steven J. Lund

The

Sandie Tillotson

Keith R. Halls

☐ Complaint

☐ Counterclaim

☐ Cross Complaint

☐
(Insert Other Pleading Being Withdrawn)

in the above entitled action is hereby withdrawn.

Plaintiff

Richard Blumenthal, Attorney General

State of Connecticut

By

Stephen R. Park Attorney

Stephen R. Park, Asst. Attorney General

By

Attorney

By

Attorney

Defendant

By

Attorney

By

Attorney

By

Attorney

No. CV 92-0506051S : SUPERIOR COURT
STATE OF CONNECTICUT : JUDICIAL DISTRICT OF
110 Sherman Street : HARTFORD/NEW BRITAIN
Hartford, CT 06105 : AT HARTFORD
V. :
NU SKIN INTERNATIONAL, INC. : MAY 28, 1992
145 East Center Street
Provo, UT 84606

STATE OF CONNECTICUT

Present: Honorable *Arvonen*, Judge

FINAL JUDGMENT

This action by writ and complaint came to this Court on February 11, 1992, and thence to the present time when the parties filed a written stipulation that judgment be entered as hereinafter set forth.

Plaintiff State of Connecticut and the defendant Nu Skin International, Inc. having consented to the making and entry of this Final Judgment on Stipulation (hereinafter "Consent Judgment"), without admission by any party hereto of any wrongdoing, violation of statute or law, and without admission by any party hereto that any conduct, action or activity mentioned, delineated or precluded by the terms of this Consent Judgment has occurred at any time in the past, and without this Consent Judgment constituting evidence of any admission by any party

hereto with respect to any issue of fact or law raised by the Complaint herein and in order to avoid the costs, delays and risks inherent in litigation;

Now, therefore, before any testimony has been taken, without trial or adjudication on any issue of fact or law, it is hereby

ORDERED, ADJUDGED AND DECREED as follows:

I. DEFINITIONS

As used in this Consent Judgment:

(a) "And" or "or" shall be construed conjunctively or disjunctively as necessary to be inclusive rather than exclusive.

(b) "Person" means any individual, proprietorship, operation, firm, partnership, incorporated or unincorporated association, or any other legal or commercial entity, or the general public at large, whether or not a resident of Connecticut.

(c) The singular shall include the plural and the plural includes the singular.

(d) "Each" shall include the collective as well as the singular, and shall mean "all," "any," and "every" and these terms shall be interchangeable.

(e) "Nu Skin" means the defendant Nu Skin International, Inc.

(f) "Nu Skin Products" means any products offered and sold

representations of past earnings of Nu Skin distributors, or the use of matrices indicating increases in earnings generated by multiplication, duplication or the geometrical increase in the number of distributors at lower functional levels of distribution, regarding income levels, earnings, sales, profits or payments that a person may earn or receive, or has the reasonable expectancy of earning or receiving as a Nu Skin distributor.

(iv) Making any specific earnings representations without simultaneously disclosing in a clear, prominent, and conspicuous manner, in close proximity to such representation, that not all Nu Skin distributors make money in Nu Skin, that no one can be guaranteed success as a Nu Skin distributor, and that Nu Skin maintains information which may be useful in understanding the past business performance of Nu Skin distributors which may be obtained by calling a toll free telephone number stated in conjunction with the above-stated disclosure, and maintained by Nu Skin pursuant to Section III.J. of this Consent Judgment.

(v) Making any visual or audio displays of bonus or commission checks earned or received by Nu Skin distributors.

(vi) Representing, directly or by implication, that a person can create a business by becoming a Nu Skin

distributor for about what it costs to go out to dinner.

(vii) Representing, directly or by implication, that Nu Skin attained any stated level of sales without simultaneously disclosing in a clear, prominent, and conspicuous manner, in close proximity to such representation, that such sales level represents sales at wholesale from Nu Skin to distributors.

B. Nu Skin shall adopt, implement, and maintain in its distribution system, a policy and practice whereby Nu Skin shall refund to any distributor in the State of Connecticut who terminates his or her Nu Skin distributorship and requests a refund within thirty (30) days after the date Nu Skin accepts the distributor's application to become a distributor, one hundred percent (100%) of the purchase price, including sales taxes, of Nu Skin products which are returned to Nu Skin in reasonably sound, unopened, unaltered and resalable condition or sales aids, including but not limited to the cost of a "starter kit", whether purchased from Nu Skin or from another person. Any Nu Skin product packaged with other products in a "package" or other assemblage of products may be returned for a refund, provided the product itself has not been opened or altered. After the expiration of this thirty day period, Nu Skin shall refund ninety percent (90%) of the purchase price of the Nu Skin products and

Skin shall reverse all commissions, bonuses or other compensation paid to "upline" distributors on sales of products and sales aids which are returned. Nothing in this section of this Consent Judgment shall prohibit Nu Skin from adopting a policy which refunds to distributors more than ninety (90%) of the price paid for the purchase of Nu Skin products and sales aids.

D. Nu Skin shall adopt, implement, and maintain in its distribution system, a policy and practice whereby each Nu Skin distributor may earn and receive compensation from Nu Skin, which compensation shall be principally based upon the volume of the distributor's retail sales of Nu Skin products, and shall be available regardless of whether the distributor has established a downline, or the downline's sales performance. This compensation shall be in addition to that earned from the retail markup above the distributor's wholesale purchase price.

E. Nu Skin shall adopt, implement, maintain and enforce in its distribution system a policy and practice whereby a distributor is prohibited from producing or distributing, by sale or otherwise, distributor produced sales aids unless: (1) prior to any distribution of these sales aids, the distributor submits the sales aids to Nu Skin for review and Nu Skin delivers to the distributor a written statement that Nu Skin has reviewed these sales aids and authorizes the use and distribution of these sales

samples, brochures, business forms, shipping, travel and telephone expenses.

3. That each person should carefully evaluate the Nu Skin business opportunity during the thirty days following Nu Skin's acceptance of their application to become a distributor, and return the starter kit and any purchases of Nu Skin products or sales aids for a full refund within this period if he or she decides not to participate in the Nu Skin program.

4. That the company recommends that persons not leave existing employment to pursue a Nu Skin business distributorship business until they have had several months experience as a Nu Skin distributor, and have established a reasonably reliable business.

The statements described in Section III.I.1. through 4., inclusive, shall be segregated from everything else, and shall not contain any other words or information.

J. Nu Skin shall operate and maintain a toll free telephone number as disclosed in the above required statement; Nu Skin shall provide the data described in Section III.I.1. of this Consent Judgment to any person who telephones this number; Nu Skin shall further cause a written statement of such data to be delivered to any Connecticut resident telephoning this number who requests the same.

K. For purposes of compliance with Sections III.I.1. and J. of this Consent Judgment, Nu Skin shall update the data on an annual basis. For such purposes, an actively participating distributor shall be any distributor who, during the reporting period, either became a Nu Skin distributor, renewed their distributorship, or purchased any Nu Skin product or sales aid during any period of six consecutive months during the reporting period. The reporting period shall be the consecutive twelve month period commencing the first day of February each year.

L. Nu Skin shall maintain and enforce in its distribution system, a policy and practice whereby Nu Skin shall require that in order for any distributor in the State of Connecticut to earn and receive any compensation as a result of the purchase or sale of Nu Skin products by another Nu Skin distributor:

1. Each distributor shall sell Nu Skin products to at least five different customers in any month for which such compensation is earned, none of whom may be participants in the Nu Skin distribution system ("five customer rule").

2. Each distributor shall make and maintain for a period of four years, and produce to Nu Skin upon request, records evidencing compliance with the five customer rule described above, including the name, address and telephone number of the customer, the specific product or products purchased and

the purchase price.

M. For a period of one year after entry of this Consent Judgment, Nu Skin shall each month select at random ten percent (10%) of those Connecticut distributors receiving any compensation as the result of the purchase or sale of Nu Skin products by another Nu Skin distributor, and shall require these distributors to verify compliance with the five customer rule described above. Nu Skin shall personally contact customers of these distributors to verify sales reported by the distributors. Thereafter, each month Nu Skin shall select at random two percent (2%) of those Connecticut distributors receiving such compensation and shall require these distributors to verify compliance with the five customer rule described above. Nu Skin will provide to the plaintiff the substance and results of this verification program upon request as often as four times per calendar year.

N. Nu Skin shall adopt, implement, maintain and enforce in its distribution system, a policy and practice whereby each distributor in the State of Connecticut receiving compensation as the result of the purchase or sale of Nu Skin products by another Nu Skin distributor who violates the five customer rule or the verification requirements described in Sections III.L.1. and 2. of this Consent Judgment shall be sanctioned by Nu Skin,

including the issuance of a formal written warning and placement of the offending distributor on a special monitoring list upon a first violation; causing the forfeiture of commissions and bonuses earned or received and issuance of written warning of termination upon a second violation; and terminating the offender's distributorship upon a third violation, in accordance with customary procedures relating to distributorship terminations.

IV. REFUNDS

A. Nu Skin shall make refunds to Connecticut Nu Skin distributors pursuant to the Refund and Business Loss Compensation Program, and shall comply with the Monitoring requirements, as ordered by the United States District Court in that certain cause of action known at Arata v. Nu Skin International, Inc., et al., No. C 91-2811 FMS (N.D. Cal.). The provisions of Section 5.A.(1) through (5) ("Refund Program"), Section B. ("Monitoring of Refund and Business Loss Compensation Program"), Section C. ("Reserve Account") and Section D. (Bankruptcy Waiver) of the Settlement Agreement Between Plaintiff Class and Defendants Nu Skin International, Inc., et al., dated November 22, 1991 and filed in said cause are incorporated by reference and made provisions of this Consent Judgment.

B. Nu Skin and its independent auditor shall respond to

any reasonable request of the Connecticut Attorney General, or his designee, with regard to Section B. of the Arata Settlement Agreement, for verification as to any aspect of the refund program upon the same terms and conditions as apply to such requests made by the class plaintiff's counsel in said cause.

V. MISCELLANEOUS PROVISIONS

A. Not later than thirty days after entry of this Consent Judgment, Nu Skin shall cause to be delivered to each Connecticut Nu Skin distributor a written statement informing the distributor that Nu Skin and its distributors in Connecticut must comply with this Consent Judgment, which notice shall include the prohibitions and requirements contained in Sections III.A.2., A.4., E., F. and III.L. through N. of this Consent Judgment.

B. Nu Skin and its successors and assigns shall notify the plaintiff not more than thirty days after any change in Nu Skin, such as dissolution, assignment or sale resulting in the emergence of successor corporations, the creation or dissolution of subsidiaries, or any other change in the corporation or in the Nu Skin distribution system which will affect compliance obligations arising out of this Consent Judgment.

C. Nu Skin shall for three years after entry of this Consent Judgment, maintain and upon request make available to the plaintiff for inspection and copying, documents demonstrating

compliance with the requirements of this Consent Judgment. Such documents shall include, but are not limited to, all instructions given to employees or distributors regarding compliance with the provisions of this Consent Judgment, any notices provided to distributors in connection with the terms of this Consent Judgment, and any changes or amendments made to the Nu Skin distribution system.

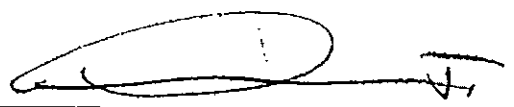
D. Nu Skin shall, within one hundred eighty days of the date of entry of this Consent Judgment, deliver to the plaintiff a report, in writing, setting forth the manner and form in which it has complied with this Consent Judgment as of that date. The plaintiff shall keep the report and its contents, or any report, document or other information provided under this section strictly confidential, and the plaintiff shall not disclose any such notification, information, document, or report, or the contents of any of the foregoing, except to the extent the plaintiff in good faith believes such disclosure must be made to a court to enforce the terms of this Consent Judgment, or as otherwise required by state law or court order.

E. Nu Skin shall fully advise and inform all present and future management officials having administrative, sales, advertising or policy responsibilities of the contents and requirements of this Consent Judgment.

among other things, consumer protection and enforcement relating to companies engaged in multi-level marketing, Nu Skin shall pay to the State of Connecticut the sum of Sixty-Five Thousand Dollars (\$65,000.00) and shall further make a contribution in the amount of Twenty Thousand Dollars (\$20,000.00) to the Attorney General which the Attorney General shall deposit into an interest bearing fund to be used by the Attorney General for consumer complaint resolving programs, consumer education programs, or consumer protection investigation and litigation matters.

Dated: _____

5/28/92



JUDGE OF THE SUPERIOR COURT
ARONSON, J.